

Juneau/Greens Creek/Hoonah Intertie Project

Quarterly Progress Report

April 1, 2004 through July 30, 2004

PERMITTING PROGRESS

Permitting is wrapping up as anticipated for the JGCHI project. AELP has been working closely with several agencies and consultants as we move forward with in the permitting of this project. Our analysis of our permitting budget indicates that we are on target and do not foresee any circumstances that may affect a positive outcome.

As stated in the first quarterly report, the largest undertaking for the permitting of this project is the Application for Transportation & Utility Systems on Federal Lands that is issued through the US Forest Service. This application process involved NEPA scoping and the preparation of an Environmental Assessment. These activities are near completion and we do not anticipate any major obstacles in the overall process of this permit. Pending closing comments for the Environmental Assessment that are due August 2, 2004, a Record of Decision should be issued early into the first week of August. Once this decision is published, a Construction Permit will be awarded and construction may begin. We anticipate having all permits for the portion of the project in-hand by August 10, 2004.

Below are tables for permits that have been submitted. They are either; under review, have been approved (shown in red text), are near approval, or will be submitted in the next quarter:

Submittal Recap

Agency	Permit	Submittal Date	Status
US Army Corps of Engineers – Juneau Regulatory Branch	Application for Department of the Army Permit	1 st Application submitted, 10/24/04, Amended App. Submitted: February 10, 2004	Permit has been received for Submarine Cable Crossing and Determination that no permit is required for ND & YB Yards
CBJ – Community Dev't Dept.	Conditional Use Permit, Grade & Fill Permit, Development Plan for North Douglas SCTY	June 2, 2004	Both Permits received July 15, 2004.
CBJ – Community Dev't Dept.	Conditional Use Permit, Grade & Fill Permit, Development Plan for Young Bay SCTY	June 24, 2004	Both Permits received July 15, 2004.
USFS – Juneau Ranger District	Application for Transportation & Utility Systems on Federal Lands	September 5, 2003	Under Final 30 day comment period ending August 2, 2004, Record of Decision & Construction Permit Expected to be received/granted on August 10, 2004
	Pre-Initial Consultation Package	November 18, 2003	
	Scoping Documents	February 26, 2004	
	Environmental Assessment	June 28, 2004	
ADNR - MLW	Application for Easement, Environmental Risk Questionnaire for ND to YB sub-cable crossing.	July 2, 2004	Under initial review, expect to have authorization for early entry by early August.

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Agency	Permit	Submittal Date	Status
ADNR - OPMP	Coastal Project Questionnaire & Certification Statement	Draft Submitted 9/5/03, Final Submitted February 10, 2004 Determination Made July 29, 2004	Consistency Determination Made with a "No Additional Review Required" for the project.

ENGINEERING PROGRESS

Progress for the engineering and design portions of the JGCHI project continue to be moving along as planned. The only site work that is noticeable at this time is the staking of the overhead transmission line along the Greens Creek A-road, and the staking of the proposed submarine cable termination yards at North Douglas and Young Bay. In June, wetland delineations were performed at each guy anchor location to determine whether or not additional permitting would be required. Results of this study concluded that no permits would be needed.

Completion of the Bid Specifications and Documents for Construction of the Young Bay to Hawk Inlet (A-Road) Transmission Line and Fiber Optic Line allowed us to issue Requests for Proposals on July 16, 2004, for the labor and equipment to construct the A-Road transmission line. Bid openings for this RFP are slated for August 6, 2004. Bidders attended a pre-bid conference and site visit on July 22, 2004 in order to view the project and ask questions.

Material requisition is underway at this time. Purchase Orders have been generated for approximately 95% of all materials needed for the construction of the A-road transmission line. Shipments to Admiralty Island have already begun, and the first shipment of power poles has arrived in Seattle for shipment to the island. A vast majority of the remaining materials are currently in transit to Seattle as well. It is anticipated that all materials will be received at the project site by the middle of August 2004. This being stated, we anticipate giving the Notice to Proceed and Awarding the Contract for construction of the transmission line on or about August 12, 2004.

Miscellaneous photos for this quarter are attached below as Appendix A.

The schedule for completion is expected to be met as initially planned. In our analysis of the budget for engineering and design functions, we have concluded that we continue to remain on target for these activities.

Below is a table of progress for the ongoing engineering and design functions required for the Juneau / Greens Creek / Hoonah Intertie Project. (Items in red text have been completed.):

Engineering Task	Performing Parties	Status
Power Flow Modeling and System Electrical Modeling	AELP / Power Engineers	95% Complete
North Douglas Submarine Cable Termination Yard Civil Design	AELP / R & M Engineering	95% Complete
North Douglas Submarine Cable Termination Yard Electrical Design	AELP / Tandem Systems	75% Complete

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Engineering Task	Performing Parties	Status
North Douglas to Young Bay Submarine Cable Spec. and Routing Design	AELP / R & M Engineering	45% Complete
Young Bay Submarine Cable Termination Yard Civil Design	AELP / R & M Engineering	95% Complete
Young Bay Submarine Cable Termination Yard Electrical Design	AELP / Tandem Systems	75% Complete
Young Bay to Hawk Inlet (A-Road) Transmission and Fiber Optic Line Design	AELP / Power Engineers	100% Complete
Hawk Inlet to Greens Creek Mine (B-Road) Transmission and Fiber Optic Preliminary Line Design	AELP / Power Engineers	60% Complete
Geotechnical Survey for Greens Creek A-Road	AELP / Power Engineers	100% Complete
Bid Specifications and Documents for Construction of the Young Bay to Hawk Inlet (A-Road) Transmission Line and Fiber Optic Line	AELP / Power Engineers	100% Complete
Road Surveys and Staking of the A-Road	AELP / Power Engineers	85% Complete
Routing Study for North Douglas to Young Bay Submarine Cable	AELP / David Evans Assoc.	25% Complete
Bid Specifications and Documents for Installation of the Submarine Cable between N. Douglas and Young Bay	AELP / Power Engineers	10% Complete

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APENDIX A
Project Photographs



Photo 1 June 23, 2004, Wetland Delineations for Guy Anchor Locations Along A-Road



Photo 2 June 23, 2004, Wetland Delineations for Guy Anchor Locations Along A-Road

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Photo 3 July 22, 2004, Discussion on staking of transmission line at pre-bid site visit.



Photo 4 July 22, 2004, Photo of the bidders looking at one of the pole locations during the pre-bid site visit.

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Photo 4 July 28, 2004, First shipment of power poles arrives in Seattle.



Photo 5 July 28, 2004, First shipment of power poles arrives in Seattle.

(Pole lengths range from 55' to 80')